



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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Janet Napolitano
Governor

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Director

September 20, 2004

WIA GUIDANCE LETTER # 04-04

SUBJECT: Workforce Investment Act (WIA) Eligibility Included and Excluded Income

REFERENCE: P.L. 105-220 Workforce Investment Act (WIA) of 1998, §101(25), and (37); 20 CFR §667.255, and §664.240 of the WIA Final Rules dated August 11, 2000.

BACKGROUND: The Workforce Investment Act (WIA) of 1998 provides services and training to eligible adults, dislocated workers, and disadvantaged youth. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the individual began receiving a WIA Title 1B funded service under the Act.

In order to clarify what income is included or excluded for purposes of eligibility, a list is attached to assist case management and eligibility workers in their calculations.

ACTION REQUIRED: Please distribute this memo to the appropriate staff. Feel free to contact your Quality Assurance Liaison at (602) 542-3957 if you or your staff have questions.

Sincerely,

Lela Alston
WIA Section Manager
Employment Administration

Attachment (1)

INCOME INCLUDED

Income that is considered when determining low-income status for the six (6) months prior to the date of application:

- Alimony;
- College or university grants (excluding Pell Grants), fellowships, assistantships;
- Dividends, interest, net rental income, net royalties, and periodic receipts from estates or trusts;
- Gross wages/salaries paid, and military pay while on active duty and severance pay;
- Military family allotments or other regular payments from an absent family member but not child support;
- Net gambling or lottery winnings;
- Net receipts from:
 - Non-farm self-employment (receipts from an individual's own unincorporated business, professional enterprise, or partnership after deductions for business expenses); **OR**
 - Farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses);
- Pensions, whether private or government (including military retirement pay);
- Regular disability insurance or annuity payments;
- Regular payments from the following:
 - Railroad retirement;
 - Strike benefits from union funds;
 - Worker's compensation;
 - Training stipends;
 - Supplemental unemployment benefits paid by the union or employer; **OR**
 - Work-study wages **not** issued on low-income status

INCOME EXCLUDED

The income that is not considered when determining low income status:

- Any assets drawn down as withdrawals from a bank, the sale of property, a house or a car;
- Capital gains;
- Child support payments (paid or received), **including foster care child payments**;
- Income earned while a veteran was on active military duty and certain other veterans' benefits, i.e., compensation for a service-connected disability, compensation for service-connected death, vocational rehabilitation and education assistance;
- WIA payments: training stipends, support, and wages;
- Non-cash benefits such as employer-paid fringe benefits, food or housing received in lieu of wages, Medicare, Medicaid, Food Stamps, school meals, and housing assistance;
- Pell Grants, Federal Supplemental Educational Opportunity Grants and Federal Work Study, PLUS, Stafford and Perkins loans (These are like any other type of loan, they represent debt and not income);
- Scholarships based on need;
- Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury;
- Unemployment compensation;
- Welfare payments (including TANF, SSI, RCA, and GA);
- Work-study wages issued on low-income status;
- Social Security (old age and survivors' insurance or disability insurance).